

## Market Commentary

**Recap:** The oil markets basically kept moving higher again on Friday, as economic indicators continued to surprise market participants by the resiliency of the U.S. economy. In addition growing market whispers that the Saudis are looking to sell additional shares in Saudi Aramco as well as seeking higher oil revenues to fund the Crown Prince's ambitious spending plans probably kept traders seeing little downside risk to this market. Add to this the market going into a long holiday weekend during the heart of the Atlantic hurricane season, the perceived risk is to the upside not the downside. As a result, the NYMEX WTI contract finished the session up \$1.39 per barrels at \$85.02 per barrel after reaching a high on the day of \$85.81 a barrel, the highest level since November 16th. Brent though clawed back some of its premium over WTI on Friday after lagging behind WTI on Thursday, as it settled up \$1.66 at \$88.49 and once again knocking on the door of a \$90 per barrel key chart target.

**Fundamental News:** The U.S. Labor Department reported Friday morning the unemployment rate rose to 3.8% last month. This was higher than the 3.5% rate most economists had been expecting. Nonfarm payrolls increased by 187,000 jobs in August versus a market expectation of 170,000 job additions.

Bloomberg estimates that Saudi crude oil exports in August fell sharply to just 5.6 million b/d, the lowest monthly level since March 2021. July exports were estimated at 6.3 million b/d. Bloomberg also noted that according to ship tracking services, exports out of Kuwait, appear also to have declined in August to just 1.5 million b/d, the lowest since late 2016.

Baker Hughes reported Friday afternoon that for the week ending September 1<sup>st</sup>, U.S. energy firms reduced the number of active oil and gas wells declined for the eighth week in a row, dropping by one rig this week to 631 rigs. The number of oil rigs was unchanged at 512 rigs while natural gas rigs stood at 114, down 1 rig for the week reaching its lowest level since January 2022.

IIR Energy reported that U.S. oil refiners are expected to shut in about 620,000 bpd of capacity in the week ending September 1<sup>st</sup>, cutting available refining capacity by 118,000 bpd. Offline capacity is expected to fall to 372,000 bpd in the week ending September 8<sup>th</sup> before increasing to 524,000 bpd in the subsequent week.

Colonial Pipeline notified customers that it is allocating space for Cycle 52 on Line 1, its main gasoline line which has a capacity of 1.2 million b/d.

The Wall Street Journal was reporting Friday that Saudi Aramco is considering selling a stake worth as much as \$50 billion through a secondary share offering after consultations with advisers. The sale could happen before the end of the year and be carried out on the Riyadh exchange to avoid legal risks associated with an international listing.

The CFTC reported Friday afternoon that hedge funds increased their net length in the the NYMEX and ICE WTI futures and options contracts by 19,040 contract to a net long position of 152,876 lots. But hedge funds decreased their net long position in RBOB and Heating oil by 4,788 and 925 contract respectively.

### Early Market Call - as of 8:48 AM EDT

WTI - October \$85.29, down 26 cents

RBOB - October \$2.6053, up 1.41 cents

HO - October \$3.1710, up 6.6 cents

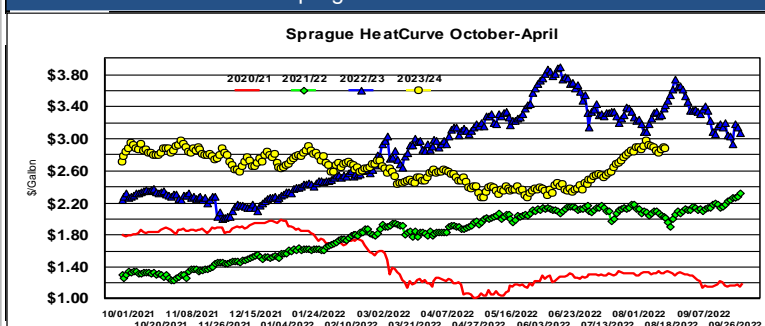
## All NYMEX | Prior Settlements

Month	ULSD (HO) Close	Prior Settle Change	Change In One Week
Oct-23	\$3.1050	-\$0.0081	-\$0.0661
Nov-23	\$3.0383	\$0.0022	-\$0.0358
Dec-23	\$2.9395	\$0.0039	-\$0.0167
Jan-24	\$2.8882	\$0.0063	\$0.0024
Feb-24	\$2.8503	\$0.0075	\$0.0123
Mar-24	\$2.8060	\$0.0077	\$0.0203
Apr-24	\$2.7556	\$0.0087	\$0.0280
May-24	\$2.7246	\$0.0099	\$0.0342
Jun-24	\$2.7014	\$0.0102	\$0.0374
Jul-24	\$2.6913	\$0.0102	\$0.0390
Aug-24	\$2.6828	\$0.0103	\$0.0394
Sep-24	\$2.6747	\$0.0102	\$0.0396
Oct-24	\$2.6644	\$0.0104	\$0.0405
Nov-24	\$2.6513	\$0.0100	\$0.0421
Dec-24	\$2.6358	\$0.0094	\$0.0447
Jan-25	\$2.6204	\$0.0092	\$0.0466
Feb-24	\$2.6019	\$0.0088	\$0.0471

### Sprague HeatCurve October 2023-April 2024

	Close	Change
Crude - WTI	\$84.7500	\$1.7900
Crude - Brent	\$88.5500	\$1.7200
Natural Gas	\$2.7650	-\$0.0030
Gasoline	\$2.5912	\$0.0253

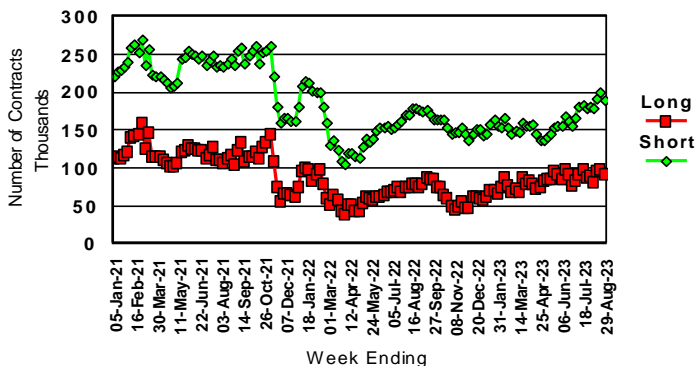
### Sprague Heat Curve



## Commitment of Traders Report for the Week Ending August 29, 2023

### Producer/Merchant Heat Positons

CFTC Commitment of Traders Report



### Managed Money Heat Positons

CFTC Commitment of Traders Report

